

# Electronic Claim Submission Requirements



**State Controller's Office  
Division of Audits**

**State Controller**

## TABLE OF CONTENTS

	<u>Page Number</u>
INTRODUCTION.....	1
A. GENERAL REQUIREMENTS .....	2
1. State Administrative Manual .....	2
2. California Code of Regulations, Title 2, Division 2, Chapter 1.....	2
3. Government Code .....	2
4. Requests for Electronic Claim Processing .....	2
5. Approval/Disapproval of Electronic Claim Processing.....	3
B. SYSTEM DOCUMENTATION .....	4
C. ELECTRONIC CLAIM FILE SPECIFICATIONS.....	5
D. FILE TESTING.....	8
E. CLAIM SCHEDULE REQUIREMENTS .....	9
F. IMPLEMENTATION COSTS ASSOCIATED WITH THE ELECTRONIC CLAIM PROCESS .....	10
G. POST PAYMENT REVIEWS .....	11
ATTACHMENTS .....	12
ATTACHMENT 1A – Electronic Tape Claim Schedule (STD.218ET).....	13
ATTACHMENT 1B – EFT Claim Schedule (STD.218DD) .....	15
ATTACHMENT 2 – Management Representation Letter .....	17
ATTACHMENT 3A – SCO Warrant Edits and Audits .....	19
ATTACHMENT 3B – SCO EFT Edits and Audits.....	22
ATTACHMENT 4 – SCO Available Printer Characters .....	27
ATTACHMENT 5 – Recouping Costs Incurred by the SCO for Developing Electronic Claims .....	29

Depending on the record layout you will be utilizing, the following documents can be accessed through the [California State Controller's Office](#) website under SCO Electronic Claim Submission Requirements Manual:

Warrant EBCDIC File Record Layout

Warrant ASCII File Record Layout

Electronic Fund Transfer EBCDIC File Record Layout

Electronic Fund Transfer ASCII File Record Layout

Data Exchange File EBCDIC and ASCII File Record Layouts

Data Element Description for Warrant EBCDIC Record Layout

Data Element Description for Warrant ASCII Record Layout

Data Element Description for Electronic Fund Transfer EBCDIC Record Layout

Data Element Description for Electronic Fund Transfer ASCII Record Layout

## INTRODUCTION

This manual provides agencies with the information necessary to request electronic claim processing. Automating an agency's claim payment process increases efficiency and results in a quicker turn-around time for payments.

Various divisions within the State Controller's Office (SCO) are involved in the electronic claim process. EDP Audits is responsible for auditing claims submitted electronically to ensure the legality and propriety of payments.

EDP Audits also reviews any new electronic payment systems, and evaluates enhancements and/or modifications to existing systems. The overall objectives of the review are to:

1. Determine whether the agency is eligible to submit claims electronically.
2. Gain knowledge and understanding of the agency's system.
3. Determine the degree of risk associated with the agency's internal control structure.
4. Determine the audit information needed for agency's support of payment request.
5. Determine whether the agency's electronic file format is compatible with the SCO's disbursement system.
6. Determine the computer edits needed to audit the payments.

The Information Systems Division (ISD) within the SCO has two separate functions. Production Data Guidance, within the Technical Services Bureau, performs routine production jobs and processes work orders. The Business Systems Bureau, within the Information Systems Division, receives and processes the production test requests.

The Division of Disbursements' Fiscal Operations and Support unit receives the electronic file from the agency and validates information against the header authorization file. The unit also performs the warrant and Electronic File Transfer (EFT) reconciliation edits. Finally, the unit enters the claim schedule information into Disbursements' tracking system.

Standardized letters for agencies to utilize when applying for electronic claim processing are included in this document. If you have any questions about the information in this document or on the electronic claim process, please direct them to our EDP Audit unit at (916) 324-6310.

## A. GENERAL REQUIREMENTS

General requirements for accepting electronic claim files are contained in the State Administrative Manual, California Code of Regulations, Government Code, and the State Controller's Office (SCO) guidelines as follows:

### 1. State Administrative Manual

- a. In accordance with [State Administrative Manual \(SAM\), Section 8422.202](#), the SCO will consider claims with the following characteristics, for submission on electronic tape:
  - i. Large volume of payees (submission of approximately 100 claims per claim schedule is generally considered minimal volume to render an electronic claim cost beneficial).
  - ii. Similar in nature or purpose.
  - iii. Subject to repetitive handling and processing.
- b. [Information Security \(Office of Information Security and Privacy Protection, SAM, Section 5300\)](#) – Information security means the protection of information and information systems, equipment, and people from a wide spectrum of threats and risks. [Government Code Section 11549](#) provides the California Office of Information Security with certain authority and responsibilities.
  - i. [Definitions \(SAM, Section 5300.4\)](#) – lists and defines important terms related to the Security Risk and Management Policy.
- c. [Agency Management Responsibilities \(SAM, Section 5300.3\)](#) – including, but not limited to: assigning responsibility, providing security, and complying with state audit requirements.
  - i. [Information Integrity and Data Security \(SAM, Section 5335.1\)](#) – further defines what is meant by *integrity* and *security*.
  - ii. [Classification of Information \(SAM, Section 5320.5\)](#) – states that all files must be classified into the appropriate classification, either public or confidential information.

### 2. California Code of Regulations, Title 2, Division 2, Chapter 1

[Victim Compensation and Government Claims Board, Article 3, Section 622.1](#) - prescribes requirements for the submission of claims recorded on electronic tape.

### 3. Government Code

Government Code Sections [925.6](#) and [12410](#) specifically provide the statutory authority for the SCO to audit claims presented for payment. Other sections of the Government Code also pertain to duties and responsibilities of the SCO.

[Government Code Section 26903](#) requires the SCO to send a notice to county auditors when payments are transmitted to county treasurers, or to entities required to deposit receipts with county treasurers.

### 4. Requests for Electronic Claim Processing

The SCO requires agencies to submit a written request before approving the submission of electronic claims. The request should be sent to: Chief, Division of Audits, 3301 C Street, Suite 705, Sacramento, CA 95816.

A. (continued)

At a minimum, the request should include the following:

- a. An estimate of the number of claims and payees to be processed annually.
- b. An estimate of the number of warrants or payments for EFT and total dollars to be issued annually.
- c. Anticipated frequency of claims submission.
- d. Proposed date for implementation of the electronic claim system.
- e. A brief description of the nature and purpose of the claims.
- f. Fund, item, and appropriation to be charged for the expenditures.
- g. Agency preference on whether remittance advices or other statement(s) will accompany the warrant. With EFT, agencies can elect to not issue paper statements.
- h. List of names, mail and email addresses, and telephone numbers of agency (and/or contractor) staff with responsibilities for program management, accounting, and data processing.
- j. If requesting EFT payments, agency must request a zero balance account (ZBA) from the Department of Finance. A copy of the approval must be supplied to the SCO.
- k. Laws and/or regulations that authorize payment.
- l. Estimated minimum and maximum dollar amount of payments and whether warrants will be mailed.
- m. Estimated completion dates for all major development phases.

5. Approval/Disapproval of Electronic Claim Processing

- a. Once the SCO has reviewed the aforementioned information from the requesting agency, we will give tentative approval/disapproval will be given in writing. At this point, the requesting agency's final approval from the SCO will be based on the agency's timely submission of required documents, the SCO's review of the requested system documentation, and the SCO's verification of the system's controls as documented. (See Section B for System Documentation)
- b. The SCO will perform testing of the payment information to determine the compatibility of the agency's electronic claim file with our disbursements system. (See Section D for File Testing Requirements)

## B. SYSTEM DOCUMENTATION

The agency must submit or make available to EDP Audits its payment system documentation prior to implementation of the proposed electronic payments. This documentation should support EDP Audits function of reviewing the payment system control environment and provide assurance to the SCO that sufficient controls exist at the agency to ensure that claim payments are legal and proper. Additionally, the documentation will be used to facilitate audits of the data submitted to support the claims.

The documentation should cover both automated and manual processes related to the electronic claims. Documentation, at a minimum, must contain the following:

1. Narrative description of procedures used in the claiming processes.
2. System flow charts.
3. Automated system edits and audits of transactions that produce the claims.
4. Policies and procedures concerning system changes.
5. Manual claim controls.
6. Definition of error correction processes.
7. Inventory and narrative description of relevant forms and reports and their use in the payment system.
8. Master file layouts, record descriptions, and data dictionary.
9. Systems test plan that includes description of agency procedures, time schedules, and staff assigned to unit testing, system testing, user testing, and SCO testing.
10. References to applicable state and federal laws and regulations.
11. Copy of approved state plan, if any.
12. Contracts with vendors for claim processing, if any.
13. Copy of approved Feasibility Study Report (FSR).
14. Criteria used for determining payee eligibility.
15. Methods used to compute amount to be paid to eligible payee.
16. Automated and manual methods used to prevent erroneous claims, including duplicate claims.
17. Audit reports by state and/or federal agencies and private audit firms.

## C. ELECTRONIC CLAIM FILE SPECIFICATIONS

This section explains the specifications required for electronic claim processing. Failure to meet these specifications could result in delayed implementation of electronic claim files or termination of electronic claim privileges.

The SCO website contains the required electronic claim file input record formats and data element descriptions of the input record formats. Agencies unable to convert an electronic claim file to the SCO-required EBCDIC record layout must follow the applicable warrant or EFT ASCII record layouts identified as separate documents on the SCO website.

The SCO website also contains a document with the formats for the "Data Exchange File" (DEX) for both warrant and EFT payments EBCDIC and ASCII layouts. The DEX file contains warrant numbers (or print control numbers for EFT) and other data that may be used by submitting agencies. DEX files are available to state agencies upon request.

Electronic claim files will be processed on an IBM mainframe. The SCO's preferred method of transmission is secure file transfer protocol (secure FTP); however, tape medium may be accepted.

- SCO does not recommend the use of tape medium due to the sensitivity of data that would be compromised if the tape is lost. However, if this is the only method available to transport data, it must be an 18 or 36 track, 1600 or 6250 BPI, EBCDIC, or the 3490 tape cartridges. All agencies with the capability to use 3490 cartridges are urged to use that medium for providing input tapes to the SCO.
- If you are using secure FTP, you must contact the SCO Division of Disbursements, 3301 C Street, Sacramento, California 95816, to initiate a formal request with the SCO.

The detail file specifications are as follows:

1. Use standard IBM Operating System header and trailer labels.
2. For EBCDIC files, the first four bytes of each record must identify the length of the record. The first four bytes of each block must identify the block size length. Files or tapes that are created by IBM operating systems will automatically append the four-byte length descriptor fields in the proper format. Agencies submitting files or tapes that are created by non-IBM systems must use IBM as standard format for this control field. Some conversion may be necessary.
3. EBCDIC electronic claim files must be variable-length, with a maximum record size of 7992. ASCII electronic claim files must be a fixed-record length of 8006. Detailed file formats are available as separate documents on the SCO website.
4. Place external labels identifying the file on all tape cartridges submitted to SCO. Send the hard copy claim schedule face sheet (Attachments 1A and 1B) with all electronic claim files. Agencies that submit electronic claims for multiple programs must clearly identify the program on the hard copy claim schedule.

C. (continued)

5. The SCO will reject any electronic claim file that does not process properly. If this happens, the agency must submit a corrected file and revised claim schedule. Attachments 3A and 3B contain the SCO system edits for production of warrants and EFT payments, respectively. We recommend that you incorporate the applicable edits into your agency's payment claim submission system to avoid delay of payments. We may also develop specialized reports to analyze payment data unique to each agency.
6. The portion of the detail record and remittance advice records entitled "Audit Record Information" is reserved for capturing additional data to support payment information. EDP Audits will determine the information required upon submission of the data and documentation specified above, and prior to the submission of electronic claim files.
7. The records must be in the following order: file header record, claim header record, detail warrant or statement record, secondary payee record, detail remittance advice or statement record, claim total record, and file total record. The records will be in sequence by record code (positions 1 and 2), claim number (positions 3 and 4), record type (positions 5 through 7), zip code (if required, positions 8 through 16), sequence number (positions 27 through 31), line number (positions 33 and 34), and detail amount indicator (position 35). For multiple warrants or EFT payments to the same payee, you may use incremented sequence numbers for proper record order.
8. Use zeros in the zip code field if the zip code is unavailable or the address is foreign. If only the five-digit zip code is available, left-justify the zip code in the field and do not zero-fill the remaining four bytes. Do not include the zip code as part of the address field on the detail payment record.
9. The mailing addresses of the payments must be formatted as follows:
  - a. The next-to-last line of the destination address should contain the street address or post office or rural route number, followed by an apartment number, unit, office, or multi-dwelling number.
  - b. The last line should contain the city and approved two-letter state abbreviation. If the destination address is a foreign country, the country's name must appear in full on the last line.

Foreign Address Example:

Line 1: Name of Addressees

Line 2: Street Address or Post Office Box Number

Line 3: City or Town Name, other principle subdivision (i.e., province, state, county),  
post(al) code or delivery zone number (uppercase letters)

Line 4: Country Name (uppercase letters all in English)

For Canada, the location of the country name and postal code are interchangeable--either one may be placed on the last line, with the other one placed after the city and provincial name.

- c. **Do not enter the zip code in the destination address.**
- d. Punctuation is not required.
- e. Place one or two spaces between words.
- f. Except for the state abbreviation, spell out all words. If you must use abbreviations, use only those approved by the United States Postal Service.



C. (continued)

10. Sort electronic claim files in strict zip code order.
11. Individual warrant or EFT payments cannot exceed \$99,999,999.99.
12. EFT Claim File totals cannot exceed \$9,999,999,999.99.
13. Certain records within the electronic file are not required but can be utilized by requesting agencies. These include the remittance advice records (the free form text must appear in uppercase letters) and the secondary payee record. The secondary payee record permits compliance with Government Code Section 26903 requiring a notice to be sent to the county auditor when payments are transmitted to the county treasurer or deposited in the county treasury.
14. Certain characters are not available on SCO printers; see Attachment 4 for a list of available characters that you can use. Never submit "null characters" (binary 00) in a print field.
15. Local governmental agencies may use the "bank code" on the detail record to identify banks for direct deposit. If you do not wish to use the "bank code" to identify a bank, you can use all six positions as the "optional id" field. If your agency wishes to use EFT, you must contact EDP Audits for further instructions.
16. The claim schedule number on the file must be identical to that on the claim schedule form, including leading and trailing zeros or blanks. A non match between the claim schedule hard copy and the information on the file will cause a critical error; therefore, no payments will be issued.
17. The fund code on the claim schedule must match the fund code in the SCO file of approved agencies submitting electronic claims (Header Authorization File).
18. EDP Audits reviews the Header Authorization File information at the beginning of each fiscal year. If your agency will be submitting an electronic claim for a prior fiscal year or making other changes to the accounting codes on the claim schedule, you must contact the SCO in writing two weeks prior to the beginning of the new fiscal year so that we may assign a valid claim identification name.
19. System changes or changes from the original agreed-upon format require notification and testing 60 days prior to implementation of the new format. (See Section D for File Testing).

## D. FILE TESTING

Prior to accepting production files, the SCO will perform tests on agency files (both warrant and EFT if applicable) to determine their compatibility with the SCO's disbursement system. Testing will comprise of a minimum of one Format and one Acceptance Test. All test files shall contain all approved "audit information" as specified by EDP Audits.

The first file(s) each agency submits must be a *Format Test* containing a small volume of test transactions. This data may be programmer-created test data, and will be used to determine format compatibility.

Once a successful *Format Test* file is received by EDP Audits, each agency is required to submit an *Acceptance Test* file. This file(s) must be a representative volume test of "live" data that has been created through the actual edits and audits of the agency's production claim system, and must be subject to all agency payment controls. The SCO must receive the acceptance test from your agency at least four weeks prior to the desired implementation of the payment production process, in order to allow sufficient testing within our processes.

Agencies must provide a STD.218 Claim Schedule (Attachments 1A and 1B) with each test file. The SCO will grant final approval to submit production data after we have performed successful testing.

### Testing Procedures:

1. Agency submits applicable STD.218 with the following information:
  - Agency and appropriation information
  - Test file name or applicable tape cartridge information
  - File Record counts and amounts
  - "TEST" must be written conspicuously across the claim schedule
  - Claim schedule must be signed by an authorized representative
2. The Agency must fax the claim schedule to an EDP Audits representative, including an e-mail notification.
3. The EDP Audits representative will inform the agency contact of the results from each test.

Your agency must also provide the SCO with a Management Representation Letter detailing system assurances (see Attachment 2 for an example of a Management Representation Letter).

## E. CLAIM SCHEDULE REQUIREMENTS

The agency must submit a claim schedule(s) to the SCO for payment of the electronic claim(s). Forms STD.218ET for warrant or STD.218DD for EFT, which are available from the Department of General Services (DGS), should be used for electronic claims. Agencies may print their own forms utilizing the DGS <http://www.osp.dgs.ca.gov/StandardForms/Forms+Search.htm>. (Forms STD.218ET is presented as Attachment 1A and STD.218DD is presented as Attachment 1B).

The claim schedule(s) must adhere to the following:

- The claim schedule must contain the certification language in the California Code of Regulations, Section 622.1.
- For EFT claims, payee amounts listed on the STD.218DD must not exceed \$99,999,999.99. If amounts are greater they must be separated into multiple payee lines (warrants) on the STD.218DD.
- A STD.8 Special Handling Request form must accompany a STD.218DD if SCO is to release warrants to the SCO-contracted bank.
- The claim schedule must include an original signature by authorized agency staff identified on the AUD 15 (5-72) Claim Schedule Signature Authorization card on file with the SCO.

## F. IMPLEMENTATION COSTS ASSOCIATED WITH THE ELECTRONIC CLAIM PROCESS

The SCO incurs increased costs in implementing a new electronic claim process. These costs are recovered through an Inter-Agency Agreement. The areas requiring reimbursement are:

1. System start up – reviewing requirements and specifications, coordinating, and documenting.
2. File Testing – discussed in Section D.
3. Development and refinement of EDP Audit edits.

During the Inter-Agency Agreement development, associated costs for processing warrant and EFT payments will be determined by the SCO. .Contact the SCO Division of Disbursements, 3301 C Street, Sacramento, CA 95816 for more information on these costs.

## G. POST PAYMENT REVIEWS

In accordance with Government Code section 12410, the Controller has the authority to "...audit the disbursement of any state money, for correctness, legality, and for sufficient provisions of law for payment..."

EDP Audits will perform post payment reviews of previously processed claims to ensure compliance with agency program criteria. Originating documentation utilized to create the electronic files submitted to the SCO will be reviewed for legality and validity.

EDP Audits may require additional monies for post payment field work if sufficient audit information cannot be captured on the electronic claim file to determine propriety of payment. The Inter-Agency Agreement will be amended to capture these additional costs.

## ATTACHMENTS

ATTACHMENT 1A – Electronic Tape Claim Schedule (STD.218ET)

STATE OF CALIFORNIA  
CLAIM SCHEDULE  
STD. 218ET (REV. 6-94)

USE THIS CLAIM SCHEDULE TO SUBMIT  
DATA ON ELECTRONIC TAPE ONLY

(Do not write in this space)

PAYABLE FROM	FUND	SUB	FUND NAME									
	AGENCY NUMBER		AGENCY NAME									
APPROPRIATION	STAT. YR.	METH	REFERENCE	ITEM	SEQ.	FFY	CHAPTER	STATUTES				
	PURPOSE											
FED. CATALOG NUMBER	SCO. PROJ.	CATEGORY	PGM	ELE.	COMP	TASK	GENERAL LEDGER	RECEIPT OBJECT	FIS	AMOUNT	DESCRIPTION	
											SCHEDULE NUMBER	
											AUDIT CODE	SCH. TYPE
											PRINT WARRANT DATE	
											ISSUE WARRANT DATE (REQUEST)	
											BEGINNING WARRANT NUMBER	
REEL NUMBER							TOTAL OF SCHEDULE				END WARRANT NUMBER	
TAPE DENSITY							NUMBER OF WARRANTS				ISSUES	
DATA SET NAME (Optional)							RECORD COUNT				VOIDS	
INTERNAL AGENCY USE												
<p>I hereby certify under penalty of perjury as follows:</p> <p>That I am a duly appointed, qualified, and acting officer of the herein named state agency. That the respective amounts and payees included in this claim have been recorded on that certain electronic tape identified in the within schedule. That a written reproduction, listing each payee and the amount of payment, was prepared from said tape and will be retained as a part of the official records of said state agency, or the information so provided will be retained on electronic tape. That the respective amounts, payees, and totals are true and correct as set forth on said electronic tape and in said written reproduction, or retained on electronic tape. The original claim documents, or reproductions thereof, have been retained and are maintained in a manner that will enable verification of the propriety of the amounts claimed. That payments are properly payable to each and all of the claimants as contained therein, and that such payments are authorized in the amounts, for the period, and to the respective payees as indicated therein under all governing laws and regulations. That I have not violated any of the provisions of Section 1090 to 1096, inclusive, Government Code.</p>											SIGN.	CALC.
											PURCH.	CONTR.
											CORRECTIONS ENTERED	
											AUDITED	APPR. PAY.
											FW BAL. OK	WARR. OK
REPORTABLE PAYMENTS PER S.A.M. 8425.100											NUMBER	
SIGNED							TITLE		DATE SIGNED		AMOUNT	
APPROVED (if required)											\$	
											TOTAL SUBJECT TO USE TAX	
											\$	

AFFIX LABEL HERE



ATTACHMENT 1B – EFT Claim Schedule (STD.218DD)  
EFT Transaction Only

## CLAIM SCHEDULE

STD. 218DO (REV. 8-94)

USE THIS CLAIM SCHEDULE TO SUBMIT  
EFT TRANSACTIONS ONLY

(Do not write in this space)

PAYABLE FROM	FUND	SUB	FUND NAME									
	AGENCY NUMBER		AGENCY NAME									
APPROPRIATION	STAT. YR.	METH	REFERENCE ITEM	SEQ	FFY	CHAPTER	STATUTES					
	PURPOSE											
FED. CATALOG NUMBER	SCO PROJ.	CATEGORY	PGM	ELE.	COMP	TASK	GENERAL LEDGER	RECEIPT OBJECT	FIS	AMOUNT	DESCRIPTION	
REEL NUMBER							TOTAL OF SCHEDULE					
TAPE DENSITY							NUMBER OF PAYMENTS					
DATA SET NAME (Optional)							RECORD COUNT					
LINE NO.	P.O. NO. or "C"		CLAIMANT							AMOUNT		
I hereby certify under penalty of perjury as follows:									TOTAL OF SCHEDULE			
<p>That I am a duly appointed, qualified, and acting officer of the herein named state agency. That the respective amounts and payees included in this claim have been recorded on that certain electronic tape identified in the within schedule. That a written reproduction, listing each payee and the amount of payment, was prepared from said tape and will be retained as a part of the official records of said state agency, or the information so provided will be retained on electronic tape. That the respective amounts, payees, and totals are true and correct as set forth on said electronic tape and in said written reproduction, or retained on electronic tape. The original claim documents, or reproductions thereof, have been retained and are maintained in a manner that will enable verification of the propriety of the amounts claimed. That payments are properly payable to each and all of the claimants as contained therein, and that such payments are authorized in the amounts, for the period, and to the respective payees as indicated therein under all governing laws and regulations. That I have not violated any of the provisions of Section 1090 to 1096, Inclusive, Government Code.</p>												
SIGNED									DATE SIGNED			
APPROVED (if required)												
AUDITED									APPR. PAY.			
FV BAL. OK									WARR. OK			
REPORTABLE PAYMENTS PER S.A.M. 9422.190												
NUMBER									AMOUNT			
									\$			
TOTAL SUBJECT TO USE TAX									\$			

Date Rec'd

CONTROLLER'S WARRANT NUMBERS

DATE ISSUED (ACTUAL)

SIGN

CALC.

PURCH.

CONTR.

CORRECTIONS ENTERED

16

ATTACHMENT 2 – Management Representation Letter

(AUDITEE LETTERHEAD)

Bureau Chief  
State Agency Audits Bureau  
Division of Audits  
State Controller's Office  
P.O. Box 942850  
Sacramento, CA 94258-5874

Date:

Dear \_\_\_\_\_:

In connection with your testing of the electronic claims for (name of electronic claim process), we confirm to the best of our knowledge and belief, the following representations made to your staff during the course of the file compatibility testing:

1. We are responsible for the accurate recording of payment data into our system and the accurate presentation of this data transferred from our system into the electronic claim.
2. We have made available to you, applicable:
  - a. System records and related data
  - b. Information regarding changes in the accounting system or program control procedures pertinent to the (name of the electronic claim process)
3. We have no knowledge of any:
  - a. Fraud, allegations of fraud, or suspected fraud, involving management or employees who have significant roles in the system of accounting/program controls or financial/program management,
  - b. Fraud, allegations of fraud, or suspected fraud, involving other employees that could have a material impact on the (name of claim process), and
  - c. Communications from the regulatory agencies concerning non-compliance with, or deficiencies in accounting, reporting, and/or management practices that could have a material effect on case/payment records, claims, and related reports.
4. There are no violations of laws or regulations that could have an effect on the accurate presentation/reporting of claims and reports.
5. There are no material transactions that have not been properly recorded in the accounting records and related reports.
6. We have complied with all aspects of contractual agreements that would have a material effect on the claims and related data/reports in the event of noncompliance.
7. No events occurred subsequent to the date of our claim testing that would require adjustments to our system and related data/reports.

\_\_\_\_\_  
(Name of Responsible Management Official)

\_\_\_\_\_  
(Title)

ATTACHMENT 3A – SCO Warrant Edits and Audits

Warrant File Critical Edits (Will cause program to abort)

Edit Criteria

Agency code is equal to spaces or is alphabetic.

Agency code is not in valid range of "0000" through "9999".

Fund code is equal to spaces or is alphabetic.

Fund code is equal to all zeros.

Claim ID is equal to spaces.

Claim schedule number is equal to spaces.

Claim schedule number is equal to all zeros.

Agency code and claim ID are not on header authorization file (H/A).

Issue date is equal to or less than current date.

Claim amount is equal to spaces.

Claim amount is equal to all zeros.

Tape number is equal to spaces or is all zeros.

Record ID is not "00HDR", "99EOF", or record code is not "05".

Record code is "05" but record type is not "001", "010", or "100".

Record code is "05" but claim header is not "01" through "99".

Record code is "05" but line number is not "00" through "42".

Line number is "00" but detail amount indicator is not "1" or "2".

Warrant File Edits (May produce valid claim record depending on severity level)

<u>Severity Level (Condition Code)</u>	<u>Edit Criteria</u>
04	Payee zip code missing (address edit specified on H/A).
04	Payee ID missing.
08	Payee address missing.
08	Missing name in auditor's notification record.
08	Missing address in payee auditor's notification record.
12	Invalid IRS reportable code (not "0", "1", or "2").
12	IRS information invalid or missing (valid reportable code but reportable amount, payee ID or pay code in error). Blank if reportable code is "0"
12	Bank code invalid or missing (valid code = "A" through "Z").
12	Remittance advice (R/A) amount field not numeric (edit only if R/A amount indicator = "1").
12	Payee warrant amount not within acceptable range (per H/A).
12	Sum of R/A amount fields does not equal payee warrant amount (edit only if R/A amount indicator = "1").
16*	Payee name missing.
16*	Payee record missing (detail payment record).
16*	Payee warrant amount is negative.
16*	Payee warrant amount is not numeric (replaced with zero).
16*	Duplicate remittance advice line.
16*	Claim contains R/A records but H/A file specifies warrant-only stock (per H/A form type).
16*	H/A file specifies warrant-remittance-advice stock but no R/A's found (per H/A form type).
16*	Payee claim number not equal to claim number in claim header record.
16*	Payee zip code not in ascending sequence – required for this claim (per H/A zip edit).
16*	Duplicate claim schedule number (claim schedule number already on claim master file as processed).
16*	Fund code does not match the fund code in the file of approved agencies submitting tape claims per H/A file.
16*	Claim out of balance (claim total record counts and amounts do not agree with program totals).
16*	File out of balance (file total record counts and amounts do not agree with program totals).
<u>NOTE:</u>	* = Entire payment tape will not be processed

ATTACHMENT 3B – SCO EFT Edits and Audits



EFT Critical Edits (Will cause program to abort)

Edit Criteria

Record ID is not "00HDR", "99EOF", or record code is not "05".

Agency code and claim ID are not found in Header Authorization File.

System Identification is not "EFTTC".

Control card issue date is equal to or less than system date.

Number of claim records does not match number of control card records.

Fund code is not found in Header Authorization File.

Record code is "05" but record type is not "001", "010", or "100".

Claim schedule number is equal to spaces.

Claim ID is equal to spaces.

Claim amount is equal to spaces.

EFT File Edits (May produce valid claim record depending on severity level)

<u>Severity Level (Condition Code)</u>	<u>Edit Criteria</u>
04	Invalid line number for credit transaction.
04	Invalid payment amount indicator for credit transaction.
04	No statement records for credit transaction requiring statements.
04	Accumulated statement payment amounts not equal to credit detail payment amount.
04	Invalid line number for statement (not greater than previous valid statement).
04	Invalid payment amount indicator for statement detail (not "0" or "1").
04	Invalid payment amount for statement (should be zero when indicator is "0").
04	Invalid payment amount for statement (must be > zero when indicator is "1").
04	Invalid line number for debit transaction.
04	Invalid payment amount indicator for debit transaction
04	Payment amount is below the minimum allowed amount.
04	Payment amount is above the maximum allowed amount.
04	Invalid ZIP code – ZIP code missing.
04	Invalid ZIP code – ZIP code must be zero when no edit is performed.
04	Invalid ZIP code – ZIP code must not be less than previous detail.
04	Invalid ZIP code – ZIP code may not be zero when edit is performed.
04	Invalid ZIP code – ZIP code not numeric
04	Invalid payee ID number (spaces)
04	Invalid payee address (address 1, 2, 3, and 4 are spaces)
04	EFT name description is blank in Header Authorization File.
08	Invalid transaction code – valid codes: credits (22, 32), debits (27, 37), prenotes (23, 33).
08	Invalid payment amount for prenote transaction code (should be zero).

NOTE:

\* = Entire payment tape will not be processed

EFT File Edits (May produce valid claim record depending on severity level)

<u>Severity Level (Condition Code)</u>	<u>Edit Criteria</u>
08	Invalid payment amount (non-numeric) for credit transaction.
08	Invalid payment amount (non-numeric) for debit transaction.
08	Invalid payment amount less than zero (payment amount must be zero or positive).
08	Invalid payee name (spaces).
08	Invalid transit routing code
08	Invalid check digit.
08	Invalid bank number.
16*	Payment amount is above the NACHA maximum allowed amount.
16*	Accumulated detail payment amount not equal to claim trailer payment amount.
16*	Accumulated detail payment amount not equal to control card schedule amount.
16*	Claim trailer payment amount not numeric.
16*	Accumulated detail count not equal to claim trailer payment record count.
16*	Claim trailer payment count not numeric.
16*	Accumulated statement count not equal to claim trailer RA record count.
16*	Claim trailer RA record count not numeric.
16*	File total record count not equal to file trailer total record count.
16*	File trailer total record count not numeric.
16*	Accumulated claim count not equal to file trailer claim count.
16*	File trailer claim count not numeric.
16*	Accumulated detail count not equal to file trailer payment record count.
16*	File trailer record payment record count not numeric.
16*	Accumulated statement count not equal to file trailer RA record count.
16*	File trailer RA record count not numeric.
16*	Accumulated payment amount not equal to file trailer total payment amount.

NOTE:

\* = Entire payment tape will not be processed

EFT File Edits (May produce valid claim record depending on severity level)

Severity Level  
(Condition Code)

Edit Criteria

16*	File trailer total payment amount not numeric.
16*	Claim contained invalid record number – not in sequence with previous valid claim.
16*	Claim contained no detail records.
16*	File contained no claim records.
16*	File total is above the NACHA maximum allowed amount.

NOTE:

\* = Entire payment tape will not be processed

## ATTACHMENT 4 – SCO Available Printer Characters

SCO ALLOWABLE  
PRINTER CHARACTERS

Table B-1. Business Print Cartridge, CVC 18

HEXADECIMAL CODE	LOADING SEQUENCE	SYMBOL	SYMBOL DESCRIPTION	SYMBOLS PER ARRAY
4B	1	.	Period (full Stop)	1
50	2	&	Ampersand	1
6C	3	%	Percent	1
5C	4	*	Asterisk	1
4C	5	<	Less than	1
4E	6	+	Plus	1
6B	7	,	Comma	1
5B	8	\$	Dollar Sign	1
7B	9	#	Number Sign	1
7C	10	@	Commercial at	1
61	11	/	Slant (Solidus)	1
60	12	-	Hyphen (minus)	1
F0	13	0	Numeric Zero	1
F1	14	1	Numeric One	1
F2	15	2	Numeric Two	1
F3	16	3	Numeric Three	1
F4	17	4	Numeric Four	1
F5	18	5	Numeric Five	1
F6	19	6	Numeric Six	1
F7	20	7	Numeric Seven	1
F8	21	8	Numeric Eight	1
F9	22	9	Numeric Nine	1
C1	23	A	Upper Case A	1
C2	24	B	Upper Case B	1
C3	25	C	Upper Case C	1
C4	26	D	Upper Case D	1
C5	27	E	Upper Case E	1
C6	28	F	Upper Case F	1
C7	29	G	Upper Case G	1
C8	30	H	Upper Case H	1
C9	31	I	Upper Case I	1
D1	32	J	Upper Case J	1
D2	33	K	Upper Case K	1
D3	34	L	Upper Case L	1
D4	35	M	Upper Case M	1
D5	36	N	Upper Case N	1
D6	37	O	Upper Case O	1
D7	38	P	Upper Case P	1
D8	39	Q	Upper Case Q	1
D9	40	R	Upper Case R	1
E2	41	S	Upper Case S	1
E3	42	T	Upper Case T	1
E4	43	U	Upper Case U	1
E5	44	V	Upper Case V	1
E6	45	W	Upper Case W	1
E7	46	X	Upper Case X	1
E8	47	Y	Upper Case Y	1
E9	48	Z	Upper Case Z	1
ARRAY SIZE				48

## ATTACHMENT 5 – Recouping Costs Incurred by the SCO for Developing Electronic Claims



**JOHN CHIANG**  
**California State Controller**

December 12, 2007

Automated Claim Applicants

Re: Recouping Costs Incurred by the State Controller's Office for  
Developing Electronic Claims

This letter is to explain the State Controller's Office (SCO) policy for charging other state agencies to develop new systems and modify existing systems relative to electronic claims processing.

All SCO auditing and developing costs including those from the Division of Audits, Division of Accounting, Division of Disbursements, and the Information Systems Division are subject to reimbursement.

As a reminder, agencies may realize significant benefits through an efficient and effective electronic claims process. The benefits realized will differ depending on the program but can include a decrease in payment time and a reduction of paper through automation.

The requirements for these electronic claims is available on our website at  
[http://www.sco.ca.gov/aud/manuals/elec\\_tape\\_claim\\_reqts.pdf](http://www.sco.ca.gov/aud/manuals/elec_tape_claim_reqts.pdf).

Sincerely,

*Original signed by*

**MICHAEL CARTER**  
Chief Operating Officer

MC/sk

7182

MAILING ADDRESS P.O. Box 942850, Sacramento, CA 94250-5874  
SACRAMENTO 300 Capitol Mall, Suite 518, Sacramento, CA 95814 (916) 324-8907  
LOS ANGELES 600 Corporate Pointe, Suite 1000, Culver City, CA 90230 (310) 342-5656